

SENATE BILL 656

By Bowling

AN ACT to amend Tennessee Code Annotated, Section 5-21-121, relative to county financial management.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 5-21-121, is amended by deleting subsection (a) and substituting instead the following:

(1) The director, purchasing agent, members of the committee, members of the county legislative body, other officials of the county, members of the board of education, members of the highway commission, and employees of the finance department and purchasing department shall not have a direct interest in the purchase of supplies, materials, equipment, or contractual services for the county. As used in this subdivision (a)(1):

(A) "Controlling interest" means sufficient ownership in a business or company to control policy and management, including the ownership or control of the largest number of outstanding shares owned by any single individual in a business or company; and

(B) "Direct interest" means a certain, absolute interest where a person is a party to a contract with the county such that the person stands to directly gain personally or through a business in which the person is the proprietor, a partner, or the person having the controlling interest in the business.

(2) Such persons shall also not have an indirect interest in the purchase of supplies, materials, equipment, or contractual services for the county unless the person publicly acknowledges such interest. A person who is not a member of a governing

body and who is required to publicly acknowledge an indirect interest must do so by reporting such interest to the office of the county mayor to be compiled into a list that must be maintained as a public record. As used in this subdivision (a)(2), "indirect interest" means an interest in a contract with the county held indirectly through one (1) or more intermediary entities or businesses, including interests in contracts where a person is the sole supplier of goods or services in the county.

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it.